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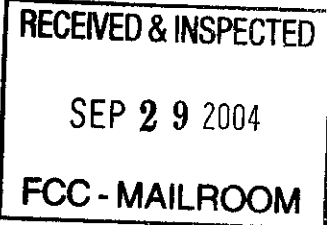
SUSAN S. MILLER
GENERAL COUNSEL

O. RAY BOURLAND
EXECUTIVE SECRETARY

GREGORY V. CARMEAN
EXECUTIVE DIRECTOR

PUBLIC SERVICE COMMISSION

September 28, 2004



Via Federal Express

DOCKET FILE COPY ORIGINAL

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, Maryland 20743

Irene M. Flannery
Vice President - High Cost and Low Income Division
Universal Service Administrative Company
2000 L Street, N.W., Suite 200
Washington, D.C. 20036

**Re: CC Docket No. 96-45
Annual State Commission Rate Comparability Review and Certification for
Areas Served by Non-rural Carriers**

Dear Mmes. Dortch and Flannery:

In accordance with Title 47 Code of Federal Regulations Section 54.316(b), the Public Service Commission of Maryland hereby certifies that the residential telephone rates charged for service as of July 1, 2004, are reasonably comparable to urban rates nationwide.

In its *Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order* released in the above-referenced docket on October 27, 2003¹, the Federal Communications Commission established an annually-adjusted nationwide rate benchmark as a "safe harbor". Based upon the "safe harbor", rates in rural, high-cost areas that are below the benchmark are presumed to be reasonably comparable to urban rates nationwide. The residential rates in rural areas served by Verizon Maryland Inc., the only non-rural incumbent local exchange carrier operating in Maryland, are below the current nationwide urban benchmark of \$34.16, and as such, fall within the safe harbor afforded by 47 C.F.R. 54.316(b).

¹ *Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order*, CC Docket No. 96-45, FCC 03-249, 18 FCC Rcd 22559, rel. October 27, 2003.

WILLIAM DONALD SCHAEFER TOWER • 6 ST. PAUL STREET • BALTIMORE, MARYLAND 21202-6806

410-767-8000

Toll Free: 1-800-492-0474

FAX: 410-333-8493

MDRS: 1-800-735-2258 (TTY/Voice)

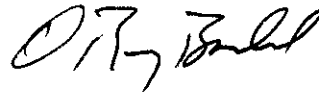
Website: www.psc.state.md.us/pse

Noted for review
List ABOVE

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If additional information is required, please do not hesitate to contact me at (410) 767-8038.

Sincerely,

A handwritten signature in black ink, appearing to read "O. Ray Bourland". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

O. Ray Bourland
Executive Secretary

cc: Sheryl Todd, Telecommunications Access Policy Division, WCB